

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 20, 1988

ALL-COUNTY LETTER NO. 88-08

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FISCAL YEAR (FY) 88/89 GAIN BUDGET

Implementation of the Greater Avenues for Independence (GAIN) program in all 58 California Counties during 1988 is a major goal of the State Department of Social Services. The Governor's Budget for FY 1988/89 provides a substantial increase in funding for the Counties in support of this goal. An increase in total funds over the current year of almost \$200 million is proposed resulting in a GAIN budget of \$408 million.

This budget is far higher than what was envisioned to be needed at the time of the passage of the GAIN Legislation, yet still is not enough to serve all the potentially eligible GAIN participants in the State. The increase in the cost of the program is primarily due to a much larger than expected need for adult education services. Early estimates assumed 20 percent of the GAIN population would be referred to educational components. In actual experience over 50 percent are referred. Significant increases in our assumptions about County administrative costs for operating the program have also been made based upon experience gained from early implementing Counties.

Because there is not enough money available to fund all the potential participants and we were not willing to arbitrarily reduce our best assessment of what it will cost the Counties to operate the program, we have developed an alternative to distribute the available funding to achieve the following objectives:

- o Maintain commitment to the statewide implementation of GAIN.
- o Avoid disruption in the longest operating Counties.
- o Minimize the adverse impact on newly operating Counties which have made more commitments than Counties still in the planning stage.

- o Quickly provide a "bottom line" to Counties for planning purposes.

Key features

- o Allocations to provide full funding for the 18 Counties approved and operating GAIN by October 1, 1987 (Fresno, Napa, Madera, Ventura, Kern, Santa Clara, Stanislaus, San Mateo, Yuba, Butte, Sutter, Merced, Shasta, Riverside, Placer, Kings, Santa Barbara, and San Diego).
- o To the extent savings can be realized from the above 18 Counties, allocations to provide full funding to the other 8 operating Counties will be made (Inyo, Lake, Monterey, Nevada, San Luis Obispo, San Bernardino, Sonoma, and Yolo).
- o Allocations will be made to the remaining 32 Counties at a level that is estimated to be sufficient to implement GAIN and serve at least all registrants except for new applicants, volunteers, and AFDC-U recipients who have been on aid less than one year. These deferral categories are specified in WIC Section 11320.3(h).

Proposed Process

- o 18 Counties' estimated budgets for FY 88/89 will be compared to current allocations and expenditures. Reductions will be made where possible after consultation with the affected Counties. The 18 Counties will be given an allocation based on the above analysis.
- o 40 Counties will get the remainder of the money based on their percentage of the AFDC caseload. Savings generated from the 18 Counties will be given first to the 8 newly operating Counties as necessary. Each County will be given an allocation. They can decide whether to make changes in how they deliver services in order to realize administrative savings and then decide how extensive the statutory reductions will have to be in order to live within their allocation. Each County will have to make plan changes and have them approved. Prior to submission to SDSS, revised plans are subject to public hearing and approval by the County Board of Supervisors. COUNTIES CANNOT OPT FOR PROVIDING LESS THAN A FULL PROGRAM OR FOR REDUCING SUPPORTIVE SERVICES OR FOR SERVING REGISTRANTS IN A DIFFERENT ORDER THAN THAT PROVIDED BY LAW.

Impact in Current Year

- o Each County will have to determine what kinds of measures need to be taken in order to live within its allocation next year. Individual choices may be not to hire as many case managers as planned, hold back on equipment purchases, or rent less space. Contracts being negotiated now may need to be reexamined in light of budget year impacts. Counties should also look again at any existing community resources which may not have been tapped.

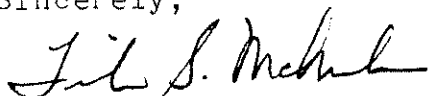
Timing

- o SDSS is hoping in 30 days to have allocation information available to all Counties. This will be contingent on our analysis of the needs of the 26 operating Counties.

SDSS will work closely with the County Welfare Directors Association to ensure the best implementation possible of these policies. As soon as County allocations and more specific information are available, they will be forwarded to all Counties. The above is our planned process. It is entirely possible that adjustments will be made based on our review of all information.

If you have any questions in the interim, please do not hesitate to contact your GAIN consultant.

Sincerely,



LINDA S. McMAHON
Director

cc: CWDA